



Department of Justice

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AT
(202) 616-2771
TDD (202) 514-1888

**JUSTICE DEPARTMENT AGREES TO CHANGES TO 1979 COFFEE,
SUGAR & COCOA EXCHANGE CONSENT DECREE**

WASHINGTON, D.C. -- The Department of Justice today agreed to proposed changes to a 1979 Coffee, Sugar & Cocoa Exchange consent decree that will simplify the process for arriving at the daily quotation of the world spot price for raw sugar. The changes will not affect the decree's protections against collusion.

The changes are intended to work around time differences to facilitate participation in the daily quotation process by members of the sugar industry in Asia, decrease other burdens of participation for industry members worldwide, and permit the daily quote to reflect a wider perspective on sugar prices.

Those members of the sugar industry in Asia who are on the world roster will now automatically fax spot quotation worksheets overnight to the Exchange so that the Exchange will have their price data in time to calculate the spot price for the day. To calculate the price, the Exchange randomly gathers price data from a roster of individuals divided into five categories from the sugar industry such as brokers, refiners and merchants. The Exchange takes the price data and uses a formula to calculate the spot price for the day. Participation by members of the industry

in Asia is of particular interest as the daily quotation is frequently used in trading in the Eastern Hemisphere.

The daily quote will now reflect a wider perspective on sugar prices because in one of the categories all industrial end users will be included in the daily roster, not just sugar refiners as in the past.

The proposed changes will also offer a more streamlined process for gathering price data.

In 1977, the Department filed a civil antitrust case against the Exchange, charging that the Exchange had caused its spot quotations for raw cane sugar to be set on a subjective basis by interested parties. The case was resolved by a consent decree designed to ensure that the Exchange calculated spot prices for raw sugar on the basis of objective information.

In November 1996, the Department agreed to changes to the 1979 consent decree that eliminated procedures to determine the domestic spot price for raw sugar since the exchange stopped calculating that price in 1985, and to modify the current procedures for determining the world spot price.

Copies of the consent decree and the proposed amendments are available for inspection in Room 3630, United States Department of Justice, Antitrust Division, 26 Federal Plaza, New York, New York 10278. Interested person may address comments to Ralph T. Giordano, Chief, New York Office, at that address. Comments should be sent within 60 days of the date of this announcement.

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